

Introduced by Committee on Governance and Finance (Senators Hertzberg (Chair), Beall, Hernandez, Lara, Moorlach, Nguyen, and Pavley)

March 7, 2016

An act to add Section 18410.3 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1476, as introduced, Committee on Governance and Finance. Income taxation: voluntary contributions.

Existing law authorizes taxpayers to contribute amounts in excess of their personal income tax liability for the support of specified funds.

This bill would require any new or extended voluntary contribution to include the words "voluntary tax contribution" in the name of the fund, require the administering agency to include specified information about the fund on its Internet Web site, include a continuous appropriation of the contributed funds to the administering agency, and specify the minimum contribution amount for the continuation of any voluntary contribution.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 18410.3 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 18410.3. Notwithstanding any other law, any new voluntary
- 4 tax contributions, including an extension of existing voluntary tax
- 5 contributions, shall include all of the following:

1 (a) The words “voluntary tax contribution” shall be included as
2 part of the name of the fund.

3 (b) The administering agency’s Internet Web site shall be
4 required to report the process for awarding money, the amount of
5 money spent on administration, and an itemization of how program
6 funds were awarded by the agency, including, but not limited to,
7 information regarding recipients of funds.

8 (c) The voluntary contribution shall include a minimum
9 contribution amount that must be received for the fund to continue
10 appearing on the tax return as follows:

11 (1) The minimum contribution amount shall be two hundred
12 fifty thousand dollars (\$250,000) for the second calendar year after
13 the first appearance of the fund on the personal income tax return.

14 (2) For each calendar year, beginning with the third calendar
15 year after the first appearance of the fund on the personal income
16 tax return, the Franchise Tax Board shall adjust, on or before
17 September 1 of that calendar year, the minimum contribution
18 amount as follows:

19 (A) The minimum contribution amount for the calendar year
20 shall be an amount equal to the product of the minimum
21 contribution amount for the prior calendar year multiplied by the
22 inflation factor adjustment as specified in subparagraph (A) of
23 paragraph (2) of subdivision (h) of Section 17041, rounded off to
24 the nearest dollar.

25 (B) The inflation factor adjustment used for the calendar year
26 shall be based on the figures for the percentage change in the
27 California Consumer Price Index for all items received on or before
28 August 1 of the calendar year pursuant to paragraph (1) of
29 subdivision (h) of Section 17041.

30 (C) The minimum contribution amount shall be adjusted until
31 it reaches five hundred thousand dollars (\$500,000), and shall
32 remain at five hundred thousand dollars (\$500,000) for each
33 subsequent year.

34 (d) Funds contributed pursuant to the tax check-off shall be
35 continuously appropriated to the administering agency to be spent
36 as prescribed in the act in which the voluntary contribution is
37 enacted.

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